

Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 PM-04 NSC-05 SP-02 SS-15 DODE-00

CIAE-00 INR-07 NSAE-00 L-03 MC-02 ACDA-05 SSO-00

NSCE-00 INRE-00 OMB-01 TRSE-00 IGA-02 H-02 SAB-01

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ASD/ISA:AAJORDAN(ACTING)

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O 081631Z JAN 76 ZFF4

FM SECSTATE WASHDC

TO AMEMBASSY PANAMA NIACT IMMEDIATE

USCINCSO IMMEDIATE

INFO PAN CANAL BALBOA CANAL ZONE IMMEDIATE

C O N F I D E N T I A L STATE 004358

E.O. 11652: GDS

TAGS: PFOR, PN, MASS

SUBJECT: APPROVAL FOR U.S. ARMS SALES TO PANAMA

REFERENCES: (A) PANAMA 7829; (B) STATE 281925;

--- (C) STATE 300217; (D) BELL/JORDEN TELCON

--- OF JANUARY 7, 1976

JOINT STATE/DEFENSE MESSAGE

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1. DEPARTMENTS OF STATE AND DEFENSE HAVE REVIEWED MOST RECENT GOP REQUEST (REF A) TO PURCHASE ARMS FROM THE UNITED STATES THROUGH FMS SALES AND FROM COMMERCIAL SOURCES IN ORDER TO EQUIP ONE NATIONAL GUARD INFANTRY BATTALION.

2. WE NOTE THAT PROPOSED PURCHASE IS CONSISTENT WITH DESIRE OF U.S. TO BE SOLE SOURCE OF MILITARY EQUIPMENT AND TRAINING IN PANAMA AS MOST RECENTLY EXPRESSED IN REF. C.

3. BELIEVE PROMPT RESPONSE WOULD BE HIGHLY USEFUL IN CONTEXT OF PRESENT STATE OF NEGOTIATIONS AND BILATERAL RELATIONS. ACCORDINGLY, THE AMBASSADOR MAY INFORM GOP ASAP OF GENERAL USG WILLINGNESS TO SUPPLY ARMS REQUESTED.

4. WHEN CONGRESSIONAL APPROPRIATION FOR THE FY 76 SECURITY ASSISTANCE PROGRAM IS MADE, STATE AND DEFENSE WILL SUPPORT REALLOCATION OF FMS CREDITS UP TO 500,000 DOLLARS TO PANAMA TO FUND THE INITIAL ELEMENTS OF THE PROPOSED INFANTRY BATTALION.

5. OSD WILL INSTRUCT DEPARTMENT OF THE ARMY TO ISSUE LETTERS OF OFFER AND ACCEPTANCE (LOAS) FOR ALL ITEMS LISTED IN PARAGRAPH 2, REF A, EXCEPT ARMORED PERSONNEL CARRIERS. WE UNDERSTAND THAT GOP AWARE THAT SOURCE OF ALL ITEMS WILL BE APPROXIMATELY 18-24 MONTHS FROM ACCEPTANCE OF LOAS.

6. AUTHORITY IS HEREWITH PROVIDED FOR GOP TO INITIATE NEGOTIATIONS FOR COMMERCIAL PURCHASE OF ARMORED VEHICLES (SEE PARAGRAPH 3C OF REF A). COMMERCIAL SUPPLIERS MUST COMPLY WITH NORMAL INTERNATIONAL TRAFFIC IN ARMS REGULATION (ITAR) REQUIREMENTS.

7. ADDITIONALLY, WE BELIEVE THAT YOU WILL WISH TO INFORM THE PANAMANIAN THAT USG AGREES IT IS NECESSARY TO BEGIN THE DETAILED PLANNING NOW FOR THE ACTIVATION OF A GN UNIT ON T-DAY. WITH THIS IN MIND, WE BELIEVE IT APPROPRIATE THAT REPRESENTATIVES OF THE GN, MILGP AND USSOUTHCOM STAFF SHOULD MEET ASAP TO PREPARE A FORCE DEVELOPMENT PLAN, INITIALLY FOR THIS FIRST GN T-DAY UNIT AND SUBSEQUENTLY
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TO ADDRESS THE PHASED DEVELOPMENT OF A GN CANAL DEFENSE FORCE THROUGHOUT THE DURATION OF U.S. PRIMARY RESPONSIBILITY. THE INTENT OF THIS PLANNING IS TO HAVE A FIRST RATE GN CANAL DEFENSE FORCE PREPARED TO ASSUME SMOOTHLY AN INCREASING ROLE IN THE COMBINED DEFENSE OF THE PANAMA CANAL UNDER THE PROVISIONS OF THE NEW TREATY. IT MUST INCLUDE LOGICAL SELECTION AND PHASING OF THE EQUIPMENT AND ARMS WITH THE ACTIVATION/TRAINING OF THE ELEMENTS OF THE

PROPOSED BATTALION.

8. FYI, OSD WILL CONCUR IN THE COMMERCIAL PURCHASE OF ARMORED VEHICLES (PARAGRAPH 6) IN ORDER TO SUPPORT THE MOMENTUM OF THE CANAL TREATY NEGOTIATIONS. THERE IS, HOWEVER, A STRONG FEELING WITHIN OSD THAT PROGRAMMING OF APCS AT THIS POINT DOES NOT APPEAR TO BE JUSTIFIED FROM A FORCE DEVELOPMENT VIEWPOINT. OUTSTANDING PROBLEMS THAT SHOULD BE RESOLVED INCLUDE ELECTRONICS AND WEAPONS SYSTEMS, THE CAPABILITY OF PANAMA TO COPE WITH THE MAINTENANCE OF THE APCS, AND THE HIGH OPERATIONS AND MAINTENANCE COSTS OF THESE ITEMS. SUGGEST THAT THIS SUBJECT BE ADDRESSED BY THE FORCE DEVELOPMENT PLANNING GROUP UNLESS POLITICAL ASPECTS ARE CONSIDERED TO BE OVERRIDING. END FYI.

9. IN INFORMING PANAMA OF ABOVE, AMBASSADOR MAY WISH TO EMPHASIZE THAT U.S. CONSIDERS THIS TO BE SIGNIFICANT UNILATERAL ACTION WHICH WILL BE MAJOR CONTRIBUTION TO PARTNERSHIP CONCEPT WE ARE TRYING TO DEVELOP WITH PANAMA NOW IN PREPARATION FOR EVENTUAL IMPLEMENTATION OF A NEW TREATY. KISSINGER

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